

**GOVERNMENT OF INDIA
COMMUNICATIONS AND INFORMATION TECHNOLOGY
LOK SABHA**

UNSTARRED QUESTION NO:4552
ANSWERED ON:18.12.2002
LICENCES TO COMPANIES .
CHARAN DAS MAHANT

Will the Minister of COMMUNICATIONS AND INFORMATION TECHNOLOGY be pleased to state:

- (a) the details of private telephone companies which providing telephone and mobile services to which have been provided Licences alongwith the details of the rules and conditions under which licences were issued and the dates which they were issued;
- (b) whether these companies complied with the conditions on which they were issued licences and if so, the details thereof;
- (c) whether providing telephone facilities in rural areas was one of the conditions for the private Telephone companies;
- (d) if so, the names of companies which provide telephone connections in rural areas;
- (e) the names of the companies which have been found guilty in providing telephone service as per the conditions;
- (f) whether the Government purpose to take action against such companies;
- (g) if so, the details thereof; and
- (h) if not the reasons therefor?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF COMMUNICATIONS AND INFORMATION TECHNOLOGY (SHRIMATI SUM MAHAJAN)

(a) The names of private sector companies along with the dates of their signing the licence agreements as well the details of terms and conditions thereof for providing Basic Telephone Services and Cellular Mobile Telephone Services are given in Annexure-I and Annexure-II respectively.

(b) to (h): The private sector companies having signed licences prior to 2001, could not comply fully with their committed performance obligations and the review of those having signed licences in 2001 is still not due. Basic Telephone Service Licensees viz. M/s Tata Teleservices Ltd., M/s Bharti Telenet Ltd, M/s Reliance Telecom Ltd., M/s Hughes Tele.com (India) Ltd., M/s HFCL Infotel Ltd., M/s Shyam Telelink Ltd. and M/s Reliance Infocomm Ltd. are providing telephone connections in rural areas. M/s Tata Teleservices Ltd., M/s Bharti Telenet Ltd., M/s Reliance Telecom Ltd., M/s Hughes Tele.com (India) Ltd., M/s HFCL Infotel Ltd. and M/s Shyam Telelink Ltd. could not provide telephone service as per licence conditions. Government has consistently insisted upon them to complete their unfulfilled VPT obligations either by themselves or by working out arrangements to utilise infrastructure of other service providers in their service area. The number of VPTs provided by them have reportedly increased from 639 VPTs on 30.11.2001 to 4775 VPTs on 30.11.2002.

ANNEXURE-I

LIST OF PRIVATE BASIC TELEPHONE SERVICE LICENSEES

S/No.	Name of the company	Effective date of Licence Agreement	Service Areas licensed.
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|---|---------------------------------|------------|---|
| 1 | M/s Bharti Telenet Ltd. | 30.09.1997 | Madhya Pradesh (including Chhattisgarh) |
| 2 | M/s Reliance Telecom Ltd. | 30.09.1997 | Gujarat |
| 3 | M/s Hughes Telecom (India) Ltd. | 30.09.1997 | Maharashtra (including Goa and Mumbai) |
| 4 | M/s HFCL Infotel Ltd. | 30.09.1997 | Punjab |
| 5 | M/s Tata Teleservices Ltd. | 30.09.1997 | Andhra Pradesh |
| 6 | M/s Shyam Telelink Ltd. | 04.03.1998 | Rajasthan |
| 7 | M/s Reliance Infocomm Ltd. | 20.07.2001 | Haryana, Punjab, Delhi, West Bengal (including Sikkim & Kolkatta), U.P.(East), Karnataka, Maharashtra (including Goa and Mumbai), Andhra Pradesh, Kerala, U.P.(West) (including Uttaranchal), Orissa, Bihar (including Jharkhand), Madhya Pradesh (including Chhattisgarh), Rajasthan, Himachal Pradesh, Andaman & Nicobar. |

26.09.2001 Tamil Nadu (including Chennai)

8 M/s Tata Teleservices Ltd. 31.08.2001 Delhi, Gujarat, Karnataka and Tamil Nadu
9 M/s Bharti Telenet Ltd. 08.10.2001 Haryana
29.10.2001 krnataka, Delhi, Tamil Nadu

TERMS AND CONDITIONS FOR PROVIDING BASIC TELEPHONE SERVICES

(A) For Licences issued prior to 2001 :-

(i) Foreign equity not to exceed 49%.

(ii) Payment of Licence fee as per their voluntarily quoted amounts upto 31.7.1999 (the cut off date for migration to NTP`99) and after that as percentage of Annual Adjusted Gross Revenue (AGR) earned from operations of the licence.

(iii) Performance obligations in terms of provision of Direct Exchange Lines (DELs) and Village Public Telephone VPTs) as per their voluntarily made commitments. Performance Bank Guarantee as a security against non-performance.

(iv) Licence period of 20 years extendable by 10 years at a time.

(v) Financial Bank Guarantee to securitise licence fee.

(vi) Payment at prescribed rates for frequency spectrum.

(vii) Use of handheld telephone sets in Wireless Access network.

(viii) Licences are assignable/transferable subject to Licensor`s prior written consent in line with a tripartite Agreement.

(ix) Resale of local loop/resources is not permitted.

(B) For Licences issued in 2001 :-

The salient terms and conditions of licences issued in 2001 are same as above except that an entry fee is payable for obtaining licence and licence fee is payable as percentage of AGR from the beginning itself and the roll out obligations are in terms of establishing stipulated percentage of Points of Presence (POPs) in SDCAs (Short Distance Charging Areas i.e. typically Tehsils) with coverage of Urban, Semi urban and Rural SDCAs in equal proportion at the end of 2,3,5 and 7 years of licence period.

ANNEXURE - II

CELLULAR MOBILE TELEPHONE SERVICE

SL.NO. Name of the company SERVICE AREA DATE OF GRANT OF LICENCE AGREEMENT

1 Bharti Cellular Ltd. Delhi 29.11.1994
Mumbai 28.09.2001
Gujarat 28.09.2001
Haryana 28.09.2001
Kerala 28.09.2001
Madhya Pradesh 28.09.2001
Maharashtra 28.09.2001
Tamil Nadu 28.09.2001

U.P. (West) 28.09.2001
 2 Sterling Cellular Ltd. Delhi 30.11.1994
 3 BPL Mobile Communications Ltd. Mumbai 30.11.1994
 4 Hutchinson Max Ltd. Mumbai 29.11.1994
 5 Bharti Mobile Ltd. Kolkatta 30.11.1994
 6 Usha Martin Telecom Ltd. Kolkatta 30.11.1994
 7 RPG Cellular Services Ltd. Chennai 30.11.1994
 8 Bharti Mobinet Ltd. Chennai 30.11.1994
 9 Aircell Digilink India Ltd. Haryana 28.12.1995
 Rajasthan 01.08.1996
 U.P. (East) 28.12.1995

 10 FASCEL Ltd. Gujarat 11.01.1996
 11 Hexacom India North East 01.01.1996
 Rajasthan 16.09.1996
 12 Bharti Mobile Ltd. Andhra Pradesh 22.12.1995
 Punjab 26.12.1995
 Karnataka 18.10.1996
 13 Idea cellular Ltd. Andhra Pradesh 19.12.1995
 Gujarat 12.12.1995
 Maharashtra 12.12.1995
 Delhi 05.10.2001

 14 Escotel Mobile Communications Pvt. Ltd. Haryana 12.12.1995
 U.P. (West) 12.12.1995
 Kerala 12.12.1995

 15 BPL Mobile Cellular Ltd. Tamil Nadu 19.12.1995
 Kerala 19.12.1995
 Maharashtra 19.12.1995
 16 Bharti Telenet Ltd. Himachal Pradesh 12.12.1995
 17 BTA Cellcom Ltd. Madhya Pradesh 15.12.1995
 18 Reliance telecom (P) Ltd. Madhya Pradesh 12.12.1995
 West Bengal 12.12.1995
 Assam 12.12.1995

 Bihar 12.12.1995
 Himachal Pradesh 12.12.1995
 North East 12.12.1995
 Orissa 12.12.1995
 19 Spice Communications Ltd. Karnataka 09.09.1996
 Punjab 09.09.1996
 20 Aircel Ltd. Tamil Nadu 22.05.1998
 21 Hutchinson Essar South Ltd. Chennai 26.09.2001
 Andhra Pradesh 26.09.2001
 Karnataka 26.09.2001
 22 Reliance Internet Services Ltd. Kolkatta 27.09.2001
 23 Escorts Telecommunications Ltd. Himachal Pradesh 20.10.2001
 Punjab 20.10.2001
 Rajasthan 20.10.2001
 U.P. (East) 20.10.2001

Salient features of the terms and conditions of the Licence Agreement for Cellular Mobile Telephone Service (CMTS) in Telecom Circle Service Areas.

- 1 The Licencsee shall install and run Cellular Mobile Telephone Service within 12 months of the effective date.
- 2 The Licencsee shall operate and provide the Services. He will be solely responsible for the installation, networking, operation, treatment of the complaints, issue of bills to his subscribers, collection of his component of the revenue, claims, damages arising out of this operation.
- 3 At least 10% of the District Headquarters will be covered in the 1st year and 50% of the District Headquarters will be covered within 3 years of effective date.

4 The mode of ownership of terminal/mobile telephone will be at the option of the subscriber.

5 The Licencsee shall ensure that objectionable or obscene messages or communications, which are inconsistent with the established laws of the country, are not carried on his network. In particular, he is obliged to provide the tracing facilities to trace the nuisance or malicious calls, messages or communications transported through the equipment and network.

6 The Licence is governed by the Indian Telegraph Act, 1885. As per the provision of the Act, the Licensee will provide necessary facilities to the designated authorities of Central/State Governments for interception of the messages passing through its network.